SYNOPSIS
“Corporate Disinvestment Property Tax Relief Act”; appropriates $13.5 million.

CURRENT VERSION OF TEXT
As reported by the Assembly Budget Committee on June 20, 2013, with amendments.

AN ACT establishing a municipal aid program to compensate municipalities for the property tax impact of corporate disinvestment, supplementing Title 52 1of the Revised Statutes1, and making an appropriation.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. This act shall be known and may be cited as the “Corporate Disinvestment Property Tax Relief Act.”

2. As used in this act:
   “Departure” means the closure of a business, which 1is not due to the relocation of the business to another municipality within the State and which1 may include a winding down period of not more than three years. A
business shall be deemed closed notwithstanding the retention of necessary personnel to maintain equipment and structures and to provide environmental remediation of the site.

“Director” means the Director of the Division of Local Government Services in the Department of Community Affairs.

“Eligible municipality” means a municipality that, on or after January 1, 2012, has a decrease in its property tax base due to a reduction in the assessed valuation of a major business ratable as a result of the departure of a business. A municipality shall cease to be an eligible municipality beginning in the sixth year next following the first distribution of a qualified aid amount to the municipality or in any tax year in which the equalized value of the major business ratable returns to an amount that equals or exceeds 95 percent of the equalized value of the major business ratable in the tax year prior to the decrease in the assessed valuation of the major business ratable as a result of the departure of a business, whichever occurs first; provided, however, that if the reuse of the major business ratable is delayed by any federal or State statute, rule or regulation, or court or administrative order, the six-year limitation on municipal eligibility shall be extended by the amount of time of such delay.

“Fund” means the “Corporate Disinvestment Property Tax Relief Fund” in the General Fund established by subsection b. of section 3 of P.L. (pending before the Legislature as this bill).

“Major business ratable” means one or more related parcels of taxable property, classified as commercial or industrial and utilized by the business property owner as its corporate headquarters, which, on the effective date of this act or in either of the two preceding tax years, comprises the largest assessed valuation of any one or more related line items of taxable property in the municipality, equals or exceeds 10 percent of the tax base of the municipality, equals or exceeds $150,000,000 in aggregate equalized assessed valuation, or employs not less than 1,000 employees on the taxable property in the municipality or a contiguous municipality, or both.

“Qualified aid amount” means an amount equal to the current tax rate for school and municipal purposes in an eligible municipality, multiplied by the difference between the equalized assessed valuation of the major business ratable in the current tax year and the equalized assessed valuation of the major business ratable in the tax year prior to the decrease in the valuation of the major business ratable as a result of the departure of a business. This amount shall decrease in proportion to any subsequent increase in the equalized value of the overall equalized property tax base of an eligible municipality major business ratable.

3. a. The director shall establish a “Corporate Disinvestment Property Tax Relief Act” aid program.

   b. The “Corporate Disinvestment Property Tax Relief Fund” is established in the General Fund as a special nonlapsing fund for the purpose of providing “Corporate Disinvestment Property Tax Relief Act” aid to eligible municipalities. The director shall serve as the administrator of the fund.

   c. The governing body of an eligible municipality may apply to the director for “Corporate Disinvestment Property Tax Relief Act” aid. The application shall be made on a form and shall be accompanied by documentation as prescribed by the director.
d. The director shall approve an application for “Corporate Disinvestment Property Tax Relief Act” aid upon finding that the applicant meets all the qualifications of an eligible municipality.

e. The director shall annually submit to the Governor and to the President of the Senate and the Speaker of the General Assembly a statement of “Corporate Disinvestment Property Tax Relief Act” aid to be appropriated to the fund. The amount shall equal the total of the qualified aid amounts for each approved eligible municipality.

f. The director shall, upon warrant of the Director of the Division of Budget and Accounting, annually distribute “Corporate Disinvestment Property Tax Relief Act” aid allocated to the fund. Each approved eligible municipality shall receive a distribution equal to the qualified aid amount for that municipality. If insufficient monies are allocated to the fund, then each eligible municipality shall receive its proportional share of the available aid monies in the fund.

4. The assessed valuation of a major business ratable following a departure of a business shall be determined through a reassessment by the municipal tax assessor pursuant to R.S.54:4-23 or an appeal to the county board of taxation by a taxpayer or taxing district pursuant to R.S.54:3-21 et seq.

5. All “Corporate Disinvestment Property Tax Relief Act” aid shall be used solely and exclusively by each eligible municipality for the purposes of reducing the amount the municipality is required to raise by its local property tax levy for school and municipal purposes, in the same proportions as the tax rates for school and municipal purposes bear to the total tax rate of the municipality. The director shall certify that each eligible municipality receiving “Corporate Disinvestment Property Tax Relief Act” aid has complied with this section. If the director finds that “Corporate Disinvestment Property Tax Relief Act” aid is not used by a municipality solely and exclusively to reduce the amount required to be raised by local property tax levy for school and municipal purposes, the director shall direct that the municipal governing body make corrections to its budget.

6. Notwithstanding any provisions of the “Local Budget Law,” N.J.S.40A:4-1 et seq., an eligible municipality that receives “Corporate Disinvestment Property Tax Relief Act” aid may anticipate the receipt of the amount of that aid as shall be certified to it by the director, and may file any amendment or corrections in its local budget as may be required to properly reflect that aid.

7. The director shall promulgate rules and regulations in accordance with the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate the provisions of this act.

8. There is appropriated from the Property Tax Relief Fund to the “Corporate Disinvestment Property Tax Relief Fund” the sum of $5,000,000 to effectuate the purposes of this act.

9. This act shall take effect immediately.